Job creation tax credits falling short in states

By DAVID A. LIEB

For residents in the rural Midwest, the governor's announcement was golden: A global company with Chinese ownership planned to hire 612 people at a new factory making artificial sweetener.

But a little over a year later, the deal has turned sour. The half-built facility sits idle, as quiet as the cemetery across the street. The city plans to default on $39 million of bonds issued on behalf of Mamtek U.S. Inc. And many of the thousands of people who picked up applications for jobs there still are looking for work.

"They said they were going to bring in all these jobs, they had all this stuff lined up," said Patrick Thieman, a 40-year-old laid-off call-center employee who had applied for an office job at Mamtek. "They didn't fulfill."

The failure highlights an uncomfortable reality for candidates in a 2012 campaign season focused on the economy. President Barack Obama and his Republican challengers, along with many contenders for state offices, can promote their plans for creating jobs, but carrying them out is lot easier said than done. Government efforts in a number of states are coming up short this year. And in one state that has been especially ambitious, Ohio, decades worth of data show the deals often fail to produce the jobs promised.

Some states have started to rethink their tax giveaways to businesses, concerned about the costs and about diverting more tax revenue from education and social services. But many others are determined to keep trying. Such efforts are under way even in places where conservatives are criticizing government for trying to "pick winners" in a free market economy.
"As a whole, there tends to be more now than there have been ever before," said Kenneth E. Poole, executive director of the Arlington, Va.-based Council for Community and Economic Research, which maintains a database on state tax incentive programs. "The fundamental philosophy is that if something isn't working, you're really trying to figure out is there a better way for the programs to operate?"

Over roughly the past decade, states have doubled the number of loans, grants, tax credits and other business incentives offered, to about 2,000, according to the council’s data. Continued high unemployment rates in many states testify to the overall results. But there is no nationwide accounting of successes or flops. Nor is there even any standard definition of "success" for the billions of dollars of incentives provided.

In what it touted as a first-in-the-nation analysis, Maine recently assessed how many of its incentives packages in 2008 actually created or saved jobs. The result was "confounding - to put it mildly," said Catherine Renault, who at the time directed the Maine Office of Innovation and now is a consultant. Businesses that received state aid reported creating 3,602 more jobs and retaining an additional 13,090. Yet government labor data showed that those businesses’ employment actually fell 1.8 percent that year - little different than the statewide decline of 1.9 percent.

About two-thirds of the states now offer tax breaks for businesses that hire new employees, according to an Associated Press review of state programs. In Ohio alone, the state Tax Credit Authority approved job-creation tax credits for 2,059 projects from 1993 to 2009. Records show that some worked, but nearly half were terminated or canceled before completion.

"It's very difficult for anyone to make the call of how any company is going to perform," said Jerry Good, deputy chief of Ohio's Division of Strategic Business Investment.

One of the winners was Kroger Co., which promised 557 jobs under two incentive plans and produced twice that many within four years. But Skybus Airlines Inc., based in Columbus, projected 869 new jobs as part of a $40 million project in 2006 but was out of business by 2008.

In Iowa, 15 companies defaulted on their hiring promises over the past year - equaling the failures for the previous three fiscal years combined, according to the Des Moines Register. Just 16 of the 191 active job-creation agreements in Wisconsin have produced the number of jobs promised, according to a Gannett Wisconsin Media analysis.

Yet Wisconsin doubled-down on its efforts this year. Gov. Scott Walker, who campaigned on a pledge to create 250,000 jobs during his four-year term, signed legislation to provide a tax deduction worth between $92 and $316 for every new job a business adds.

Missouri Gov. Jay Nixon has also pushed for new incentives despite three embarrassing failures in the past year. "We've got to be aggressive; we've got to look to the future," he said.

Supporters insist the successes justify the gamble. A Nissan plant that was offered $363 million in tax incentives by Mississippi a decade ago now employs about 3,200 people.
But the cost of the failures can be high. The California energy company Solyndra recently filed for bankruptcy protection despite a $528 million federal loan. In Texas, biotech firm Lexicon Genetics got $35 million in 2005 to create 1,662 jobs by the end of 2011. But its work force has fallen below 300 and the company has renegotiated its deadline.

Many states hedge the risk by paying the tax incentives only after the employees are on the payroll - but those deals are less attractive to businesses than the upfront cash offered in Texas and other places.

Some economists doubt the incentives actually do much to influence hiring decisions. A company still has to consider the long-term costs of the workers' wages and benefits, and whether there will be an increased demand for the products they make.

**Judith Stallmann, a professor of applied economics at the University of Missouri's Truman School of Public Affairs, compares state incentives to a sports fan who stands up at a crowded football game. The first to rise temporarily gets a better view. But soon other fans also rise and everyone's view is about the same as if he or she had remained seated.**

In competition for businesses, states "are basically, in some cases, paying firms to do something that they would have done anyway," Stallman said.

She cites a 2004 research paper by University of Iowa professors Alan Peters and Peter Fisher, who taught urban and regional planning, which concluded that "the best case is that incentives work about 10 percent of the time, and are simply a waste of money the other 90 percent."

Officials in Moberly have been anxiously searching for a new company to take over the partially completed Mamtek artificial sweetener factory that was being built in a soybean field. The prospects are uncertain. On one fall day, the leader of the local economic development organization was one of only two people at the site. The other was a contractor disconnecting the electricity.

"There is no work going on here," said Corey Mehaffy, executive director of the Moberly Area Economic Development Corp.
MU to honor actor, author with honorary degrees

The University of Missouri will honor a big name in Hollywood this month.

Robert Loggia — think Mr. Mac-Millan stomping out "Chopsticks" alongside Tom Hanks in the movie "Big" — will receive an honorary degree during MU's commencement ceremony, MU spokesman Chris Russett said.

Loggia is expected to travel from his Los Angeles home to speak at the MU commencement set for 8:30 a.m. Dec. 17 in Jesse Auditorium. Loggia graduated from the Missouri School of Journalism in 1951. "Robert Loggia's career as a major supporting actor in American film and television is second to none," Clyde Huffman, chairman of MU's Department of Theatre, said in a statement.

Loggia spent four years in the Army before landing a job on Broadway in 1955. He is best-known for more than 100 appearances on dozens of TV shows. He is well known for playing Cap. William Grey in "Independence Day," drug lord Frank Lopez in "Scarface" and the father of Richard Gere's character in "An Officer and a Gentleman."

Columbia resident William Least Heat-Moon, author of "Blue Highways," also will be recognized at the honors commencement ceremony. His 1982 novel about a cross-country trip spent 24 weeks on The New York Times best-seller list. Heat-Moon received four degrees from MU, including a philosophy degree and a bachelor's, master's and doctoral degrees in English. Most recently, he released "Quo: An American Money" in 2006, which also captured stories from a road trip.

Honorary degree recipients are recommended by a campus committee, approved by the UM Board of Censors and ultimately selected by the chancellor.
Robert Loggia, William Trogdon to receive honorary degrees at commencement

The two will speak at the Honors Commencement Ceremony on Dec. 17.

By Jimmy Hibsch Published Dec. 2, 2011

MU will give honorary degrees to actor Robert Loggia and author William Trogdon at the commencement ceremonies this month.

A 1951 graduate of the School of Journalism, Loggia has since appeared in more than 100 movies throughout his career, being named "one of the most respected and admired actors of our generation." He has been nominated for numerous Emmy Awards and an Academy Award for his performance in "Jagged Edge." He has also appeared in "Independence Day," "Scarface," "Gladiator," "The Sopranos" and "Malcolm in the Middle."

"Robert Loggia's career as a major supporting actor in American film and television is second to none," Department of Theatre Chairman Clyde Ruffin said in a news release. "He is truly one of the most distinguished University of Missouri alumni."

Known as William Least Heat-Moon in the literary world, Trogdon holds four separate degrees from MU, three in English and one in photojournalism. During his time at MU, he was a member of the Tau Kappa Epsilon fraternity and was later a professor.


Best recognized for his travel novels, Trogdon also delves a bit into historical writing. He has written books about Christopher Columbus' journeys and the like.

"William Trogdon has deep ties to the University of Missouri," English professor Pat Okker said in a news release. "His attention to the oft-neglected parts of American culture captured the nation's readers."

In a previous Maneater story, Honorary Degrees Committee chairman Bill Lamberson said the selection of choosing recipients of the honorary degrees usually takes several years. Candidates are initially presented to the committee, then to the Faculty Council and are ultimately approved by the UM System Board of Curators and then Chancellor Brady Deaton.
Guidelines for nominations include a connection to either MU or the state, and a high degree of distinction.

"If it's a person that has really close ties to the community, you have to be outstanding in some way," Lamberson said. "The more distinct the ties, the more outstanding the individual has to be."

Nominations are open for subsequent commencement ceremonies. To nominate a candidate, a letter outlining the nominee's distinctions and ties to the university or state should be submitted to the Honorary Degrees Committee.

"We have names that are already approved that you would recognize, but we don't announce those until they agree to come receive the degree," Lamberson said.

Loggia and Trogdon are speaking at 8:30 a.m. Dec. 17 at the Honors Commencement Ceremony in Jesse Auditorium.
Online surfing promotes reading habit

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WASHINGTON: Online users seeking general information or accessing social networking sites often come across news which they start reading, just out of curiosity.

There has been a shift in the way people have begun to perceive online news, says study co-author Borchuluun Yadamsuren, post-doctoral fellow at the Reynolds Journalism Institute (RJI), University of Missouri.

Yadamsuren says that while some people still perceive news tied to traditional media, others now hold a much broader perception of how the process goes beyond what is reported by journalists, the Information Research Journal reports.

"Incidental exposure to online news is becoming a major way for many people to receive information about news events," Yadamsuren said, according to a Missouri statement.

"However, many people don't realize how their news reading behaviour is shifting to more serendipitous discovery," added Yadamsuren.

Using mixed method approach, Yadamsuren surveyed nearly 150 respondents with further interviews of 20 of those respondents to understand their incidental exposure to online news.

She found that respondents experience incidental exposure to online news in three different contexts. The first group of respondents reported that they come across interesting news stories while they visit online news sites.

Others report incidental exposure to online news in the context of non-news related activities such as checking e-mail and visiting Facebook and other social networking sites.

The third group of respondents reported that they stumble upon "unusual", "weird", "interesting", "bizarre", "unexpected", "outrageous", or "off the wall" news stories while they are conducting their normal internet searches.

Currently, Yadamsuren is studying the relationship between incidental exposure to online news and different demographic and technology-access related factors.

These findings were presented at the American Society for Information Science and Technology (ASIST) 2011 Annual Meeting.
New online Mizzou Network launches today

Goal is to give fans all Tigers all the time.

BY JOE WALLASPER
jwallase@columbiatribune.com | 815-1783

Ben Arnet says he learned to swear as an 8-year-old while watching Missouri's infamous blowout loss to Colorado in 1990. Ben Arnet, the rowing reporter for the new Mizzou Network, finding a job that allows him to delve deep into MU's athletic past and present is a blessing...except when it's a curse.

"I was editing the Chase Daniel 'Mizzou Legends' feature, and it probably took me twice as long as it should have because I kept going through the 2007 highlight reel and stopping and watching instead of editing," Arnet said. "People love this stuff."

That's the idea.

With considerably less fanfare and consternation than the launch of the Longhorn Network created, today marks the debut of the Mizzou Network. Unlike the controversial TV collaboration between ESPN and the University of Texas, the Mizzou Network is an online enterprise, but the concept is the same.

The web site — which can be found at mizzounetwork.com or mutigers.tv — will show live streaming broadcasts of some games, as well as highlights, previews and behind-the-scenes fea-
tures. There will be a historic tab that includes classic games and the "Mizzou Legends" segment that catches up with former players such as Silvey. There also will be a university tab that includes material other than athletics.

Some of the content will be free and some of it will sit behind a pay wall — the exact breakdown has yet to be determined, but the live events definitely will require a subscription. A subscription costs $9.95 per month or $79.95 per year. That's the same price as what was previously known as Mizzou All-Access. The Mizzou Network will be a redesigned and improved version of that.

For example, nostalgic visitors today can watch the Orange Bowl game that followed the 1986 season. Soon the 2007 Border War football game against Kansas will be available, as will the 1984 men's basketball highlight reel.

"Our goal is to not have the site just full of things on Thursdays," said Kasy Silvey, who is the executive producer of the Mizzou Network. "Our goal is to consistently add something every day — something new, something old, university content. Hopefully it will be something that if someone comes back every day, it will be worth their time."

Silvey and Arnett began working for the Mizzou Network on Oct. 1, and both are familiar with the subject matter. Silvey worked for 22 years at KOMU and was the long-time producer of the football and basketball coaches shows before spending the last two years teaching at Missouri Valley College. Arnett, the son of former Mizzou basketball head coach Phil Arnett, got started in television as a teenage intern at KMIZ.

Silvey and Arnett work alongside Kevin Fletcher, the athletic department's web guru, and graduate student Parker Leppien. Silvey said the team will experiment with content — including practice and locker-room footage that after media is not allowed to get — to see what customers want. Live events will be a staple.

Any content that falls under the umbrella of Big 12's third-tier media rights can be shown live on the web site. That includes men's and women's basketball games not picked for network or cable broadcasts, along with volleyball, soccer, wrestling, gymnastics, softball and baseball games. The plan is to broadcast the home events of those sports live and show highlights of the events that can't be filmed as easily, such as golf, swimming, tennis and track. Football games can be shown after the fact using the footage shot by athletic department cameras paired with audio from the MU radio broadcasts.
MU students line up for free HIV tests

COLUMBIA — The 23 students taking Women's and Gender Studies at MU didn't go to class Thursday.

Instead, they chose to be tested for HIV as part of free testing organized by Sexual Health Advocate Peer Education and MU Student Health Center to mark World AIDS Day.

For Heidi Malizia, a junior majoring in biology, it was the first time she was tested for HIV other than for donating blood. Students are not as aware as they should be of AIDS and sexually transmitted diseases because they often don't get beyond the sexual education they receive in high school, she said.

"A lot are very afraid to get tested because they are afraid of the results," Malizia said.

About 70 students went to the Student Center between 10 a.m. and 2 p.m. Thursday to get tested for HIV, according to Heather Eastman-Mueller, curriculum coordinator for SHAPE and instructor for the Women's and Gender Studies class. Last year, about 100 people were tested.

Cale Mitchell, executive director of Rain-Central Missouri, said he was pleased with the turnout, taking into consideration that many people are still reluctant to get tested.

Rain works with HIV patients across 37 counties in north-central Missouri, trying to connect people with health care. The organization works with about 400 people who have been diagnosed with HIV, Mitchell said.

There were 451 people living with HIV last year in 33 of the counties in north-central Missouri, according to the Missouri Department of Health and Senior Services. The number has grown every year since 2001, when there were 310 cases of HIV in those counties.
The increase is explained by the new HIV cases that add up every year and not necessarily by the increase in life expectancy, Mitchell said. “Certainly, life expectancy is longer than ever before, but we do continue to see new cases on a regular basis,” he said.

There were 10 new cases of HIV in Boone County in 2010. Over the past four years, the number of new cases ranged from seven to 10.

All the people that Rain assists have low or no incomes and are under-insured or not insured, Mitchell said.

The organization also works with college campuses.

“There are not a lot of HIV cases, but there are a lot of STD cases,” Mitchell said. “That also means they (students) are not protecting themselves. If they are exposed to STD, they are exposed to anything.”

World Aids Day acts as a reminder for people to get tested, Eastman-Mueller said. “It’s like with breast cancer,” she said. “You know, I’ve been putting off getting a mammogram, I know I need it, why not go and do it now?”

The Columbia/Boone County Department of Public Health and Human Services offers free HIV testing. It is available by appointment Thursday mornings or at a walk-in clinic from 1 to 4 p.m. Thursday.

Rain provides free HIV testing Monday through Friday at its office, 1123 Wilkes Blvd. Suite 250.

The Student Health Center also provides HIV testing for a fee.
City of Columbia suggests MU student fee to pay for transit budget deficit

The city wants to cut $1 million from the transit budget or charge MU students a mandatory $80 a semester for transit use.

By Elise Moser Published Dec. 2, 2011

Negotiations between the City of Columbia and MU concerning Columbia Transit’s budget deficit problems continued through November. The city offered two solutions to eliminate the deficit: cut $1 million in transit services or charge MU students a mandatory $80 fee per semester that would go to Columbia Transit.

Representatives from the City of Columbia and MU met Nov. 15 to discuss possible solutions for Columbia Transit’s $1 million budget deficit.

“It seems very much like an all-or-nothing situation that we’ve been placed in,” Missouri Students Association President Eric Woods said.

Woods is one of three MU students on the Transit Task Force, the group working to come to an agreement between the university and the city. He attended the meeting Nov. 15.

In order to cut $1 million in services, Columbia Transit is prepared to cut the Black and Gold lines completely, cut late buses on weekends and lengthen the interval that buses run from every 40 minutes to every 80 minutes, according to the city’s bus transportation Powerpoint presentation.

“It’s unfair that we’re being faced with a decision to subsidize a failing public transportation system or lose services that many students depend on,” Woods said.

The other option the city presented would be an $80 a semester fee that MU students would be required to pay. This fee would prevent the Columbia Transit cuts and would increase services around the city.

The City of Columbia estimates that the student fee would allow for 33 additional buses to be in service. It would also decrease wait time between buses, and MU students would be able to ride without paying additional bus fare by swiping their ID cards.

Although the City of Columbia has suggested a fee increase for MU students, both Columbia College and Stephens College have said they would not increase student fees to pay for
Columbia Transit. Columbia residents would also not be expected to pay for the $1 million budget deficit, Woods said.

"While (MU students) do make up most of the ridership, if we are going to come together as a community, then it should include all members of the community," he said.

He said that Columbia Mayor Bob McDavid strongly opposes a tax increase to pay for the transit deficit.

"The mayor has said continually that he will not raise taxes on the community," Woods said. "But I think what he neglects to consider is that the students at the university make up a large amount of the community. A fee increase is in effect a tax increase."

Negotiations are going on between the City of Columbia and MU as part of the Transit Task Force. Representatives from the city as well as the university are members of the task force.

Both Woods and MSA Senate Speaker Jacob Sloan said they question how Columbia Transit accrued a $1 million budget deficit. Woods said McDavid did not provide a satisfactory answer to the question.

"Essentially, what they’ve been doing is pulling money from a savings account to subsidize the transit system," Woods said.

After Tuesday’s meeting, Woods and Sloan discussed working on an alternative plan with Sixth Ward Councilwoman Barbara Hoppe. Her ward includes areas of Columbia the Black and Gold lines service.

"She said she would be interested in having more discussion about this proposal and possibly working for a better plan," Sloan said.

Both Woods and Sloan said they hope to continue the conversation between the city and the university.

"Our plan is to continue to discuss," Sloan said. "I don’t want the conversation to die, because that doesn’t help anyone."

One alternative that has already been explored is creating a transit service through the university that would be independent of Columbia Transit.

However, this system would be difficult to implement because of the number of students who live off campus, Sloan said.

"At the end of the day, the issue is how do we target every student," he said.
MU task force looks to future when planning to better university

One Mizzou: 2020 Vision for Excellence has until March 31 to come up with the fully outlined task force.

By Emmy Boyd Published Dec. 2, 2011

After three years of planning and rewriting drafts, a new task force on the MU campus has until March 31 to come up with a plan to help students graduate in three years. The plan is a part of One Mizzou: 2020 Vision for Excellence, a program designed to better MU by 2020.

"I first got involved as one of the faculty members of the committee that created the initial draft of the plan," said Pat Okker, Strategic Planning and Resource Advisory Council chairwoman. "That draft was then revised after many different groups had a chance to review it."

According to the task force's website, the plan was designed to help MU respond to challenges it might face in the future.

"In days of diminishing resources and increasing responsibilities in public higher education, it is appropriate that we take charge of our own future and shape our own destiny, as this plan intends," Chancellor Brady Deaton said in a letter on the task force website. "And as our world, our nation and our state respond to rapid change, so will this plan evolve, while supporting the values for which MU stands: respect, responsibility, discovery and excellence."

The strategic plan has three main goals to expand and strengthen programs that improve the lives of the citizens of Missouri, the nation and the world. Each goal also has objectives and goals within them, with detailed descriptions of how each goal needs to be met and what organizations are in charge of making sure the goal is met. The plan is managed and outlined on its website.

"We envisioned a website where one can say, 'I'm interested in this school. Here's the actions that are needed,'" Progress Committee Chairman Tom Phillips said. "You click on it and it says, 'Here's what we've done on that.' The website would be updated at least annually, if not more frequently."

MU Faculty Council Chairman Harry Tyrer said members have begun planning how they will provide solutions to a number of objectives. The plan will also help ensure that MU is a good steward of the funds it receives from taxpayers and students' tuition, he said.
"We are examining many of the aspects of university life," Tyrer said. "We're going to try to make education better for students."

Although Deaton has said he brings brochures and information on the task force with him when he visits universities across the country, some MU students are in the dark as to what the plan will bring to MU's future.

“I’m not really sure what Mizzou is trying to gain from the plan,” freshman Chanel Fisher said. “I’ve barely heard anything about it.”

According to the website, the plan will build investments by launching an ambitious new strategy, the Mizzou Advantage, which has five targeted initiatives that will bring recognition and new resources to the university through “unique interdisciplinary programs of teaching, research and service.”